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SUBJECT: ALGERIA 2006 COUNTRY REPORT ON TERRORISM

REF: STATE 175925

(SBU) Embassy Algiers' submission in cable format for the 2006 Country Terrorism Report follows:

Begin Text

Algeria continued to provide positive counterterrorism cooperation and is a very strong partner in the global war on terror. Algeria has battled terrorism for over a decade and its government has not supported terrorism financially, diplomatically, or politically, nor has it provided sanctuary to any terrorist groups. For the majority of the year, the security situation in Algeria remained relatively unchanged, marked by stability in the major urban areas and low-level terrorist activities throughout the countryside. The last quarter of 2006, however, witnessed four attacks in the wilaya of Algiers, the first ones since 2004. One attack targeted employees of a U.S. company. Until this recent attack, terrorism in Algeria was generally not aimed at foreign entities; the Salafist Group for Preaching and Combat (GSPC) preferred to target Algerian interests. Following the al-Qaida September announcement of the GSPC's official status as an al-Qaida affiliate in North Africa, however, the GSPC has made more threats against what it calls "crusading" westerners, particularly American and French citizens.

Two events helped fuel terrorism concerns in Algeria: al-Qaida's September 11 recognition of the GSPC and the conclusion of the amnesty period for Algeria's National Reconciliation project. There is evidence of the GSPC's use of al-Qaida style attacks that generate high media attention. On October 19, an improvised explosive device (IED) exploded outside a military barracks in the Algiers suburb of el-Harrach, wounding six, and October 30 two bombs killed two persons approximately 20 kilometers from downtown Algiers. On December 10, a shuttle bus carrying expatriate workers of an American oil services company was ambushed in an Algiers suburb thought to be secure due to its proximity to residences of senior government officials and a major western hotel. This attack, marked by a road-side IED, resulted in two foreigners dead and several wounded, including an American worker. The terrorists escaped. The October bombings and the December 10 attack against a relatively soft American target generated significant global media attention and gave the GSPC greater visibility than nearly all other of its attacks carried out against Algerian government targets. Given the success of this attack in those terms, the GSPC may attempt further attacks.

Even before its affiliation with al-Qaida, the GSPC was an

organization whose regional ties were evolving. GSPC support cells have been discovered and dismantled in Spain, Italy, Morocco and Mali, and the GSPC is suspected of maintaining training camps in the Pan-Sahel region. The GSPC's regional scope, however, was largely the result of successful Algerian security service and military operations against it on Algerian soil that have compelled the GSPC to operate outside Algerian territory. The Algerian services killed approximately 260 terrorists and arrested an additional 450in 2006, compared to the combined killed and arrested figure of about 400 for 2005. The success of the Algerian services, combined with the public's continued lack of support for terror, have led the GSPC to seek new methods of financing its attacks. Algerian media sources reported the use of extortion in concert with 16 instances of fake roadblocks and 55 kidnappings inside Algeria. The kidnappings, sometimes in coordination with fake roadblocks, often targeted wealthy Algerians. Not all of these methods were attributed solely to the GSPC, however. There is also a growing crime problem in Algeria. GSPC terrorists such as Mokhtar Belmokhtar have also taken an active role in regional smuggling in order to finance GSPC terrorism.

National reconciliation, a major policy initiative of Algerian President Abdelaziz Bouteflika whose final stages of implementation took place in 2006, sought to bring closure to the near civil war between Algeria's secular government and Islamic terrorists in the 1990's. A cornerstone of this initiative was the six-month amnesty program in place from March to September for repentant imprisoned or active terrorists who had not committed public bombings, massacres, or rapes. As of September 2006, over 2,300 convicted terrorists were released and more than 350 terrorists surrendered to authorities in order to benefit from the amnesty; statistics on the recidivism of these individuals were not available. Despite announcing a September deadline for amnesty, the government has quietly extended the amnesty grace period indefinitely. In addition, some members of the banned political party Islamic Salvation Front (FIS) have returned to the country from self-imposed exile as part of the amnesty.

Symbolically, national reconciliation was an important step to try to heal Algerians' wounds from a decade of civil strife. The amnesty, however, paradoxically appeared to have hardened the resolve of the remaining terrorists. Indeed, there were reports of terrorists killing cohorts who surrendered to the authorities. During the scheduled amnesty period, March through September, there were 199 security officials and civilians killed, compared to 107 during the rest of the year. Perhaps as a show of defiance and renewed determination, the GSPC was responsible for the death of 78 security officials and civilians in October and November, immediately after the scheduled amnesty period ended. The GSPC, thanks in part to high unemployment among Algerian youth, has been partially successful in replenishing its numbers after the arrests, surrenders and deaths of over 1000 terrorists. Those remaining appear to be more hardline and resistant to the Algerian government's amnesty offer.

Overall, the government has greatly improved security from the situation of the late 1990s. The Algerian security services and military remain capable of handling the prolonged battle against internal terrorist threats and continue to be a formidable ally in the global war on terror. However, the GSPC's link to al-Qaida, continued socio-economic problems and a renewed GSPC determination to abort further national reconciliation could cause new challenges in 2007.

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